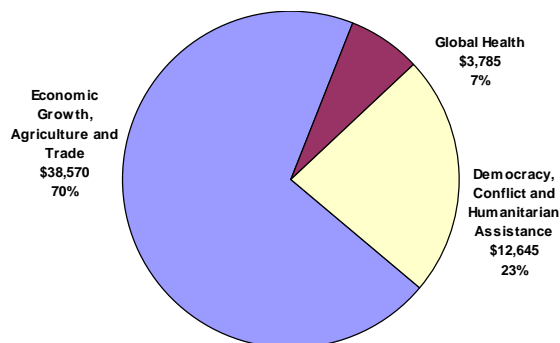
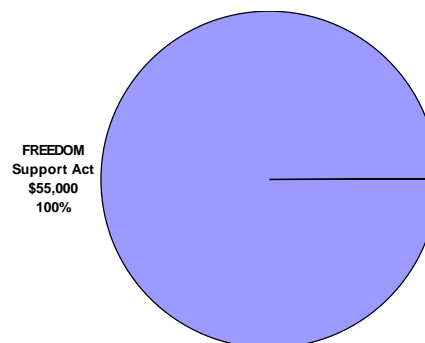


Armenia

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



Objectives and Budget

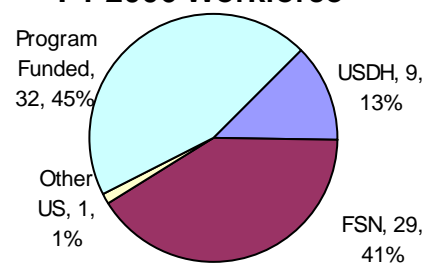
Objective	SO Number	FY 2004	FY 2005	FY 2006
Increased Employment	111-0130	15,000	14,000	10,000
Energy and Water Sectors Reform	111-0150	10,430	8,300	6,000
Democracy and Governance	111-0210	7,425	7,500	6,000
Primary Health Care	111-0320	6,251	5,170	4,000
Social Protection	111-0340	8,646	7,400	5,500
Cross-Cutting Programs	111-0420	6,381	6,985	4,560
Transfers		20,425	25,045	18,940
Total (in thousands of dollars)		74,558	74,400	55,000

Excludes P.L. 480. See Program Annex.

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	2,695	2,835	2,850
USDH Salaries & Benefits	970	1,072	1,095
Program Funds	2,643	3,128	3,128
Total (in thousands of dollars)	6,308	7,035	7,073

FY 2006 Workforce



Mission Director: Robin Phillips

The Development Challenge: In the 1990s, USAID shifted increasingly from providing humanitarian assistance to development assistance in response to the Government of Armenia's reform initiatives. USAID now concentrates its efforts on helping Armenians achieve a stable, open democracy and a law-based market economy.

Despite steady macroeconomic progress reflected in consistently high growth and low inflation rates, Armenia's poverty rate remains very high. At the end of 2003, 42.9% of Armenians lived below the poverty line, spending less than \$24 a month. Government data show an increase of 10.3% percent in gross domestic product (GDP) for the first nine months of 2004. Much of the growth rate in 2004 was due to high donor financing, while growing exports and deepening import substitution account for the remainder. The exchange rate has seen a steep increase in the value of the dram versus the dollar, partly due to a high level of remittances. Exports grew by 1.5% in the first nine months of the year, while imports rose by 3.9% in the same period. Nevertheless, export levels remain very low, at \$332 million in 2003 excluding diamond exports, which contribute little to the total economy. Imports are twice the value of exports and are made possible by remittances, which according to a USAID study amounted to about \$900 million in 2003, or nearly one-third of GDP. This extremely high level of remittances as a percentage of GDP also indicates a high number of Armenians working abroad, likely due to the lack of well-paying domestic jobs. A low level of exports and dependence on outside financing suggests that the Armenian economy is not yet sustainable.

Armenia remains politically and economically isolated due to the ongoing the Nagorno-Karabakh (NK) conflict. Borders with neighboring Turkey and Azerbaijan remain closed. Closed borders have a negative impact on Armenia's economy and its prospects for growth, even though highway and rail traffic continues across the border with Georgia to the north and lighter highway traffic continues with Iran to the south. Some trade continues with Turkey through Georgia. Successful resolution of the NK dispute would allow the reopening of trade routes, making Armenia more attractive to potential investors.

The Government of Armenia's achievements toward strengthening democracy have been overshadowed recently by a number of incidents of violence against journalists and by the harsh crackdown on demonstrators in April 2004, when peaceful demonstrations held throughout the country and in Yerevan culminated in the forcible dispersal of demonstrators in front of the Parliament. Executive dominance of the political system continued to pose a significant challenge to Armenia's transition to democracy, resulting in reduced political and economic competition and providing little recourse for citizens to challenge the use of public office for personal gain. Various international organizations, including the OSCE, criticized the actions of authorities against the demonstrators in April 2004 and the overly lenient handling of the perpetrators of the attacks on journalists.

An overall lack of transparency and accountability, along with the country's relatively weak economy, has created an environment in which corruption can flourish. Entrenched state and business interests have little will or incentive to change the status quo. Corruption in Armenia includes bribery, illegitimate acquisition of assets, clientelism, as well as political corruption and conflicts of interest in the judicial and law enforcement sectors. The dominance of the Executive branch of government has reduced competition in Armenia's political and economic spheres. As a result, rule of law is problematic, political parties are weak and the media are not truly independent. Combating corruption is key to advancing Armenia's economic, political, and social reform process.

The USAID Program: USAID works in five strategic areas: economic reform, energy/water, democracy, health, and social sector reform. In these areas, five strategic objectives concentrate on: creating a more widely shared economic base; continuing democratic progress through increased political pluralism and the participation of civil society; improving the health and welfare of the population; protecting those still in vulnerable social conditions; and improving Armenia's access to energy and water resources. Also in FY 2005, the housing certificate program in the Earthquake Zone will come to an end. The first phase of USAID support to a reformed social protection system will be completed. USAID will begin to transition its work on capital markets to Armenian organizations.

Other Program Elements: Through its farmer-to-farmer program, the office of Economic Growth,

Agriculture, and Trade (EGAT/AG) funds short-term, U.S. volunteer technical assistance to increase farm and agribusiness productivity and incomes.

Other Donors: Other multilateral donors include the World Bank, European Union (energy, legal reform, governance, higher education, vocational education, agriculture, social protection, and information technology), the International Monetary Fund (macroeconomic policy), the United Nations network of agencies, e.g. UNDP (poverty reduction, democracy and governance, post-crisis management, HIV/AIDS, energy & environment, and information technology), UNHCR (refugee support), UNICEF (health, education, and social sector), World Food Program, World Health Organization, and the OSCE (anticorruption and elections). USAID also coordinates its activities with private donors active in Armenia, in areas as diverse as civil society, education, public health, media, private enterprise development, and judicial reform. Most donors participate in formal monthly donor meetings, co-chaired by the World Bank, UNDP, and USAID.

Armenia PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
FREEDOM Support Act	89,411	74,558	74,400	55,000
PL 480 Title II	3,991	0	0	0
Total Program Funds	93,402	74,558	74,400	55,000

STRATEGIC OBJECTIVE SUMMARY

111-0130 Increased Employment				
FSA	16,885	15,000	14,000	10,000
111-0150 Energy and Water Sectors Reform				
FSA	5,949	10,430	8,300	6,000
111-0160 Water Management				
FSA	2,595	0	0	0
111-0210 Democracy and Governance				
FSA	7,328	7,425	7,500	6,000
111-0320 Primary Health Care				
FSA	620	6,251	5,170	4,000
111-0340 Social Protection				
FSA	11,804	8,646	7,400	5,500
111-0411 Earthquake Zone Recovery Program				
FSA	4,875	0	0	0
111-0420 Cross-Cutting Programs				
FSA	5,090	6,381	6,985	4,560
TRANSFER				
FSA	34,265	20,425	25,045	18,940

Mission Director,
Robin Phillips

Data Sheet

USAID Mission:	Armenia
Program Title:	Increased Employment
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	111-0130
Status:	Continuing
Planned FY 2005 Obligation:	\$14,000,000 FSA
Prior Year Unobligated:	\$6,677,000 FSA
Proposed FY 2006 Obligation:	\$10,000,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's program to generate "Increased Employment in a Competitive Private Sector" is a multi-pronged effort that includes training, technical assistance, and limited commodity support to improve the business environment in Armenia and foster the growth of micro-, small- and medium-sized enterprises in order to increase employment.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Participation in Global Trade and Investment (\$400,000 FSA, \$525,000 FSA carryover). To increase Armenia's capacity to take advantage of its World Trade Organization (WTO) accession, USAID will provide training and technical assistance to the Ministry of Trade & Economic Development, the institution responsible for WTO implementation. Assistance is provided to improve the ability of the government to enforce intellectual property rights and align product standards with WTO requirements. USAID assistance to the Armenian Development Agency is structured to improve its ability to promote Armenian trade and investment. A new project will provide guidance to selected enterprises to enhance economic competitiveness and to raise prospects for greater exports. Principal contractors: BearingPoint, Systems Research & Applications (SRA), to be determined (TBD).

Improve Economic Policy and Governance (\$3,670,000 FSA, \$2,905,000 FSA carryover). USAID is inaugurating a tax improvement project with the State Tax Service. The project will focus on tax policy in the Ministry of Finance & Economy and National Assembly. The other major activity in this area involves capacity building with counterparts to improve commercial law, including bankruptcy law, civil code, and judicial training. Another component raises the capacity of the State Committee for the Promotion of Economic Competition to advance competition. A final component involves assistance to the Public Services Regulatory Commission to increase its capacity to regulate telecommunications. Principal contractors: TBD and BearingPoint.

Increase Private Sector Growth (\$4,205,000 FSA, \$2,272,000 FSA carryover). USAID's agribusiness project will focus on developing the business capacity of small- and medium-sized enterprises (SMEs). Assistance in international marketing will end, as USAID-assisted firms are now self-sustaining. Another effort works with microfinance institutions to make them sustainable. USAID will also provide business service support to small-scale enterprises and promote an Entrepreneurs Roadmap that specifies the various steps required to legally register a business. USAID will launch a project to help make SMEs more competitive, focusing primarily on the industry level. In the information technology sector, USAID is assisting the Open Source Laboratories enterprise, and will graduate assistance to the University Consortium Project, an effort that has created master's degree (MA) programs in Information Science in three universities. USAID continues assistance to the Centralized Real Property Database System for the State Committee for Real Property Cadastre. This activity improves access to real property. Principal contractors: Development Alternatives, Inc. (DAI), Chemonics, SRA, and TBD.

Strengthen Financial Sector's Contribution to Economic Growth (\$4,975,000 FSA, \$175,000 FSA carryover, \$800,000 FSA prior year recoveries). USAID will phase out assistance to the Securities Commission, the Central Depository, and the stock exchange and will launch new bank supervision and

financial sector development projects. The former involves continued assistance to the Central Bank of Armenia. The latter focuses on other aspects of the financial sector, such as insurance and mortgages. Finally, USAID will develop a Global Development Alliance (GDA) partnership with an Armenian Diaspora organization to establish a non-bank financial institution (NBFI). USAID plans to use Development Credit Authority to extend credit guarantees to support the issuance of debt instruments offered by this NBFI. USAID will support two other DCA activities: 1) to help local commercial banks attract funds to increase their loan capitalization; and 2) to implement loan guarantee program to assist microfinance institutions attract commercial bank credit. Principal contractors: BankWorld and TBD.

Increase Agricultural Productivity (\$750,000 FSA). USAID plans to establish a GDA to support the development of a diagnostic laboratory for livestock. The project would begin as a pilot in a central region of Armenia. Principal contractor: TBD.

FY 2006 Program: Increase Participation in Global Trade and Investment (\$1,300,000 FSA). USAID will complete assistance in WTO compliance. USAID will fund assistance to the Ministry of Trade & Economic Development, the primary institution responsible for WTO implementation, as well as to select other institutions, such as the Ministry of Agriculture. Training will be provided to address barriers to trade and develop trade-promoting policies. Principal contractor: BearingPoint.

Improve Economic Policy and Governance (\$3,000,000 FSA). USAID will implement a project that will focus on improved tax administration. Principal contractor: TBD.

Increase Private Sector Growth (\$3,660,000 FSA). The agribusiness project will end, as well as assistance to microfinance institutions. Primary assistance will consist of a new competitiveness activity. USAID will continue to provide targeted interventions in the information (IT) sector and other sectors identified as promising for Armenia's economic development. Principal contractors: DAI, Chemonics, SRA, and TBD.

Strengthen Financial Sector's Contribution to Economic Growth (\$2,040,000 FSA). A number of new activities will be implemented, including a financial sector development project, a bank supervision project, and an effort to establish and grow a new NBFI. Principal contractors: TBD.

Performance and Results: USAID achieved policy and enterprise results in 2004, including creation of 3,485 full-time jobs through SME programs. At the macro level, the banking system improved with notable compliance with the Basel Core Principles. USAID SME interventions resulted in \$14.8 million in sales and \$9.3 million in exports. USAID assisted the devolution of the collection of land and property taxes to urban communities and developed the joint curriculum for a master's degree in Information Science at three prominent universities, thereby supporting the promising IT industry. USAID's work to develop the Association of Accountants and Auditors of Armenia resulted in the rollout of a new accounting certification. Resulting examinations that were approved by the International Federation of Accountants, moved Armenia a step closer to international compliance. USAID assisted the State Customs Committee to link all customs points via a wide-area network, thereby increasing efficiency of customs operations. Finally, USAID provided training to raise the quality of legislation and regulation in such areas as bankruptcy, collateral, state procurement, company law, and public auctions. Upon completion of this strategic objective, USAID expects that significant employment will be created and that select economic institutions will be able to better implement economic regulation.

US Financing in Thousands of Dollars

Armenia

111-0130 Increased Employment	DCA	ESF	FSA
Through September 30, 2003			
Obligations	458	673	156,959
Expenditures	0	673	139,258
Unliquidated	458	0	17,701
Fiscal Year 2004			
Obligations	0	0	14,830
Expenditures	51	0	13,056
Through September 30, 2004			
Obligations	458	673	171,789
Expenditures	51	673	152,314
Unliquidated	407	0	19,475
Prior Year Unobligated Funds			
Obligations	0	0	6,677
Planned Fiscal Year 2005 NOA			
Obligations	0	0	14,000
Total Planned Fiscal Year 2005			
Obligations	0	0	20,677
Proposed Fiscal Year 2006 NOA			
Obligations	0	0	10,000
Future Obligations	0	0	0
Est. Total Cost	458	673	202,466

Data Sheet

USAID Mission:	Armenia
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	111-0210
Status:	Continuing
Planned FY 2005 Obligation:	\$7,500,000 FSA
Prior Year Unobligated:	\$2,211,000 FSA
Proposed FY 2006 Obligation:	\$6,000,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID/Armenia's Democracy and Governance Strategic Objective seeks to achieve more transparent, accountable, and democratic governance by focusing on: enhanced citizen participation; strengthened civil society/non-governmental organizations (NGOs), non-state media, local governments and legislature; promotion of rule of law; and anti-corruption efforts.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen Civil Society (\$3,005,000 FSA, \$322,000 FSA carryover, \$200,000 FSA prior year recoveries). USAID will promote civic activism in Armenia by providing tailored technical assistance and funding for a select group of advanced advocacy NGOs. Funding will enable NGOs to recruit and maintain a core staff, to ensure solid planning and administrative services, and to launch new initiatives independently. USAID will assist in the development of intermediary service organizations that offer expertise, counseling, and training to the NGO community. An increased focus on youth will be an integral part of USAID's democracy program. Additionally, USAID will provide technical assistance and grants for anti-corruption activities initiated by civil society to mobilize popular will into action against corruption. Principal grantees: Counterpart International, the Academy for Educational Development (AED) (prime), Junior Achievement of Armenia (JAA) (sub), and others to be determined (TBD).

Establish and Ensure Media Freedom and Freedom of Information (\$1,300,000 FSA, \$266,000 FSA carryover). Enhancing the professionalism and financial viability of Armenia's independent media outlets will continue to be a priority. USAID's program will enable non-state media outlets to strengthen their ability to operate as businesses. To this end, USAID will develop a television and radio ratings system and a media loan program with corresponding business management technical assistance for targeted media outlets. Principal grantee: International Research and Exchange Board (IREX).

Strengthen Democratic National Governance Institutions (\$950,000 FSA, \$133,000 FSA carryover, \$200,000 FSA prior year recoveries). USAID will continue strengthening the National Assembly (NA). Assistance will focus on increasing the representational and oversight role of the NA. USAID will promote women's participation in politics and will conduct a political party assessment. Principal contractors: Development Associates, Inc. (prime), Development Alternatives, Inc. (sub), TBD.

Support Democratic Local Government and Decentralization (\$1,130,000 FSA, \$200,000 FSA carryover, \$510,000 FSA prior year recoveries). The program will emphasize strengthening local government capacity, increasing responsiveness to citizens, and promoting policy reform aimed at furthering decentralization. USAID will roll out its current pilot program nationally. Principal contractor: TBD.

Improve Justice Sector/Legal Framework (\$1,115,000 FSA, \$380,000 FSA carryover). USAID will provide technical assistance and training to the judiciary as it develops reforms to increase judicial independence and formulates and implements a code of ethics. USAID will strengthen the organizational capacity of the lawyers' association and develop legal clinics associated with universities. USAID will begin a new project to improve court administration and promote transparency, particularly the development of a court recording system. Principal contractors: American Bar Association's Central

European and Eurasian Law Initiative (ABA/CEELI), TBD.

FY 2006 Program: Strengthen Civil Society (\$2,584,000 FSA). USAID will continue a broad program of assistance to advocacy NGOs and support for youth activism and community involvement in public affairs as described above. USAID will continue to support public awareness campaigns, involving NGOs, media, and the private sector, that cover both the costs of corruption and the shared responsibility in combating it. Principal grantees: Counterpart International, AED, JAA, and TBD.

Establish and Ensure Media Freedom and Freedom of Information (\$1,600,000 FSA) USAID will continue its media loan program and direct technical assistance to targeted independent media. Principal contractor: IREX.

Strengthen Democratic National Governance Institutions (\$381,000 FSA). USAID plans to continue legislative strengthening, particularly in the conduct of formal open hearings and improving committee staff skills to review analyze and offer commentary on incoming legislative initiatives. Principal contractors: DAI and TBD.

Support Democratic Local Government and Decentralization (\$760,000 FSA) USAID will continue human and institutional capacity building with local governments throughout the country. Principal contractor: TBD.

Improve Justice Sector/ Legal Framework (\$675,000 FSA) USAID will assist the judiciary in implementing reforms achieved in 2005. USAID will also continue assistance to improve court administration. Principal contractor: ABA/CEELI, TBD.

Performance and Results: In FY 2004, with USG assistance, over 13,000 people participated in 240 town hall meetings to discuss citizens' concerns with community leaders. In over 660 dialogue groups held around the country, citizens discussed the law on the legal status of property, community schools, privatization, community development, and apartment building administration among numerous other issues. Actions taken as a result of the dialogue groups included renovation of a state college and establishment of a library fund for the college, city clean-ups, legalization of informal construction by building residents, and sanitation improvements in the communities. Additionally, 112,000 community members, government officials, NGOs and businesses participated in volunteer actions in over 1,200 events. USG technical assistance helped independent media outlets improve their business acumen, address marketing concerns, and improve the objectivity of their reporting.

USG programs helped local governments to improve internal management systems, implement transition reforms, strengthen oversight and fiscal responsibilities and increase public accessibility and accountability. Local government budget revenues increased due to improved asset planning and tax collection and administration. The National Assembly's Control Chamber exercised its oversight responsibilities, issuing a high-profile annual report that was critical of Government actions in various sectors.

Completion of this strategic objective will lead to improved democratic governance through expanded civic participation and strengthened governance institutions.

US Financing in Thousands of Dollars

Armenia

111-0210 Democracy and Governance	FSA
Through September 30, 2003	
Obligations	58,711
Expenditures	49,864
Unliquidated	8,847
Fiscal Year 2004	
Obligations	8,952
Expenditures	9,073
Through September 30, 2004	
Obligations	67,663
Expenditures	58,937
Unliquidated	8,726
Prior Year Unobligated Funds	
Obligations	2,211
Planned Fiscal Year 2005 NOA	
Obligations	7,500
Total Planned Fiscal Year 2005	
Obligations	9,711
Proposed Fiscal Year 2006 NOA	
Obligations	6,000
Future Obligations	0
Est. Total Cost	83,374

Data Sheet

USAID Mission:

Armenia

Program Title:	Primary Health Care
Pillar:	Global Health
Strategic Objective:	111-0320
Status:	Continuing
Planned FY 2005 Obligation:	\$5,170,000 FSA
Prior Year Unobligated:	\$1,598,000 FSA
Proposed FY 2006 Obligation:	\$4,000,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's health sector program seeks to increase utilization of sustainable, high quality primary healthcare (PHC) services by strengthening the capacity of the Ministry of Health (MOH) to implement PHC reform, while continuing to satisfy immediate needs of vulnerable populations by reinvigorating the provision of basic PHC services. USAID works with the Ministry of Health, State Health Agency, National Institute of Health, Yerevan State Medical University, regional and local authorities, and other donors in providing technical assistance, training and commodity support. Specifically, USAID's activities in the health sector aim to: increase the transparency and efficiency of administrative, managerial and health financing mechanisms; improve the regulatory environment for healthcare service delivery; strengthen undergraduate and continuing medical education by improving curriculum and methodology; expand provision of quality PHC and outreach services in Armenia's regions; and enhance consumer demand for high quality, client-focused preventive services.

Inputs, Outputs, Activities:

FY 2005 Program: Build health systems capacity (\$2,912,000 FSA, \$340,000 FSA carryover, \$450,000 FSA prior year recoveries). These funds will support questionnaire design and field testing for the 2005 Armenia Demographic and Health Survey and to design a national PHC reform follow-on program. In FY 2005, USAID will continue and expand existing activities focused on strengthening those governmental institutions responsible for managing and delivering healthcare services. The 2005 Armenia Demographic and Health Survey will work with local implementing institutions (National Statistical Service and the Ministry of Health) to design the survey, train interviewers, and complete the majority of field work in 2005. This process will build national capacity for future health and demographic data collection and analysis programs. USAID will present to the Government of Armenia comprehensive models and implementation plans for open enrollment, quality assurance, provider incentive programs, cost accounting and patient records mechanisms tested in 12 pilot sites. Technical assistance to national health sector policy and legislative processes will continue as the Ministry of Health plans to submit at least two key laws in the healthcare sector to the National Assembly in 2005-2006. USAID, the World Bank, and the World Health Organization will continue to provide technical assistance and logistical backing to a multisectoral National Health Accounts (NHA) working group to establish necessary infrastructure and implement NHA in Armenia. The role of family medicine doctors in providing reproductive health and maternal/child health services in rural areas will be expanded, and facility level quality improvement systems will be implemented. Principal contractors/grantees: PADCO (prime), Abt Associates (sub), EMG (prime), Intrahealth (sub) and ORC Macro International (prime).

Expand and Improve Access to Economic and Social Infrastructure (\$2,258,000 FSA, \$808,000 FSA carryover). These funds will finance new Global Development Alliance (GDA) programs to expand the reach and increase the quality and reliability of preventive health screenings in Armenia, particularly vision, hypertension, and women's cancer. In FY 2005, USAID/Armenia's PHC service provision activities will be further expanded and refined. New GDA programs will leverage non-federal funds to extend mammography, Pap smear, and screening services for vision, blood pressure, cholesterol, and diabetes to Armenia's regions. Family medicine doctors nationwide will receive clinical and management training to include screening methodology, diagnosis, referral and treatment in key PHC areas. A new reproductive and maternal/child health program will incrementally encompass all the ten regions of Armenia (starting with three regions in FY05), improving quality of care through provider training, upgrading facilities, and providing basic supplies. Mobile medical units will also reach significantly more people in remote areas by expanding operations into two new regions, implementing community-based

revolving drug funds and partnering with local non-governmental organizations. Principal contractors/grantees: PADCO (prime), Abt Associates (sub), EMG (prime), Intrahealth (sub), Save the Children (sub), World Vision (prime), Armenian Eyecare Project (prime), and Armenian American Cultural Association (prime). Others to be determined (TBD).

FY 2006 Program: Build health systems capacity (\$2,800,000 FSA). The final results of the 2005 Demographic and Health Survey will be printed and publicized through a series of roundtables and a national dissemination conference. The results will be used to provide evidence-based strategic platform for ongoing USAID and MOH program design, and to determine gaps in the health system. The process of implementation of National Health Accounts will continue, and the policy and regulatory environment for PHC will be strengthened. Principal contractors/grantees: EMG (prime), ORC Macro (prime), others TBD.

Expand and Improve Access to Economic and Social Infrastructure (Health Facilities) (\$1,200,000 FSA). Nationwide, high quality prenatal and reproductive healthcare services will be expanded and improved at the rural level. Key PHC and screening services will be more widely available in the regions of Armenia, and provision of basic medical, nutritional, and outreach services will continue for vulnerable rural populations through mobile medical teams. Principal contractors/grantees: EMG (prime), Armenian Eyecare Project (prime), Armenian American Cultural Association (prime), World Vision (prime), Intrahealth (sub), Save the Children (sub), others TBD.

Performance and Results: USAID's health sector activities built on the success of FY03 achievements to accomplish several important results in FY04. Open enrollment programs (whereby consumers choose their primary care physician) were expanded to encompass two major urban centers in Armenia, and 58% of the eligible population in those cities has selected a primary care physician since the program's inception. A regional training center for rural PHC providers in the Lori region of Armenia was launched, and a cadre of fully-trained rural nurse-doctor teams began providing continuous medical education to other rural providers in key PHC areas. The central drug supply tracking system designed in FY03 was implemented, serving as an important first step in supporting the MOH and related stakeholders to more effectively manage the complex pharmaceutical procurement and distribution process. Enhanced national protocols and training materials on Sexually Transmitted Infection management and infection prevention were drafted by a national coalition and approved and adopted by the MOH. The average number of prenatal visits in the Lori region (the locus of the USAID-supported reproductive health program) increased eightfold, demonstrating the effectiveness of better nurse training and the importance of basic equipment and supplies for rural health facilities. Activities to increase health awareness at the community level continued, accompanied by expanded preventive test offerings in rural areas, and the renovation of 33 rural PHC facilities through community mobilization activities. Subsequent household surveys in two regions of Armenia where USAID implemented community-based health programs showed significant improvement in access to healthcare facilities, patient satisfaction, and health status. Finally, USAID-supported mobile medical teams provided over 8,000 consultations in remote areas, successfully meeting FY04 targets.

At the completion of SO 3.2, the legal and regulatory framework for high quality, customer-oriented, PHC service provision will be improved to ensure sustainable delivery of key PHC services to the population. USAID-supported pilot programs will assist the MOH to determine the best approach, timeline, and implementation strategy for long-term PHC reform. More transparent national and regional administrative, financial and managerial processes will be established. Finally, more effective mechanisms will be implemented to improve financial accessibility for healthcare services, and increase utilization of quality basic healthcare services delivered by appropriately trained providers in well-equipped facilities.

US Financing in Thousands of Dollars

Armenia

111-0320 Primary Health Care	ESF	FSA
Through September 30, 2003		
Obligations	868	11,763
Expenditures	868	11,763
Unliquidated	0	0
Fiscal Year 2004		
Obligations	0	5,722
Expenditures	0	732
Through September 30, 2004		
Obligations	868	17,485
Expenditures	868	12,495
Unliquidated	0	4,990
Prior Year Unobligated Funds		
Obligations	0	1,598
Planned Fiscal Year 2005 NOA		
Obligations	0	5,170
Total Planned Fiscal Year 2005		
Obligations	0	6,768
Proposed Fiscal Year 2006 NOA		
Obligations	0	4,000
Future Obligations	0	0
Est. Total Cost	868	28,253

Data Sheet

USAID Mission:	Armenia
Program Title:	Social Protection
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	111-0340
Status:	Continuing
Planned FY 2005 Obligation:	\$7,400,000 FSA
Prior Year Unobligated:	\$3,801,000 FSA
Proposed FY 2006 Obligation:	\$5,500,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's Improved Social Protection strategic objective will strengthen Armenia's social insurance and assistance programs. Beginning in 2005, a skills-based, labor development program specifically targeting out-of-school youths and unemployed adults will be introduced and coupled with a program designed to improve the country's Employment Service Agencies. The introduction of the skills-based labor development program will complement work in social insurance and assistance, and will contribute to the overall reduction of extreme poverty by increasing the number of people participating in the labor market.

Inputs, Outputs, Activities:

FY 2005 Program: Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$7,400,000 FSA, \$2,657,000 FSA carryover, \$1,144,000 FSA prior year recoveries). The Armenian Social Transition Program (ASTP), will complete its work in the rollout of the nation's first Social Security Card program. When ASTP completes this year, 2.5M cards will be in circulation and the GoA will be using Social Security numbers to safeguard the state social insurance system. ASTP will also complete its work in the Integrated Social Services Centers and assist the Ministry of Labor and Social Issues in finalizing its Law on Social Assistance and its Law on Non-State Pensions. The NGO Training and Resource Center (NGOC) will complete monitoring its current grant program and complete a final assessment of its program. This program will also complete in FY05. Principal contractors: PADCO (prime), Armenian Assembly of America (prime).

The Community Self Help Grant program will continue. A new Integrated Community Development Program will, in direct coordination with local mayors and town councils, support rehabilitation of schools, health clinics, and essential village infrastructure, as well as training in budgeting and administration for local municipal leaders. This 2-year program has been designed to introduce a comprehensive approach to poverty reduction through infrastructure repair, community and local government education and training and the introduction of local economic development models catering to the specific resources and needs of the community. The Soup Kitchen program will expand its partnerships with local municipalities and the Ministry of Labor and Social Issues to help the government to find ways to address elderly needs. Finally, the newly introduced Children in Especially Difficult Circumstance program will continue its work to improve the treatment of children in institutions, assist schools in mainstreaming children with disabilities and help communities and families deal with children at risk through their community centers and roaming social workers. Principal contractors: Save the Children (prime), UNDP (prime), Mission Armenia (prime), World Vision (prime).

The new 2-year Public Works program will incorporate skills training as part of USAID's involvement in development of the labor market. Additionally, USAID will begin a multi-year program to improve skills and employment services that will specifically target unemployed adults with outdated or obsolete skills. It is expected that the public works program will merge into the labor development program. Principal contractors: TBD.

FY 2006 Program: Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress

(\$5,500,000 FSA). USAID will continue to work towards developing partnerships between non-governmental service providers and local and national government agencies. New work in the implementation and application of the Labor Code and the Labor Inspectorate, as well as accounting, managerial and administrative reform for the State Social Insurance Fund (SIF) will begin. Public awareness of the application and roles/responsibilities of these codes, laws and agencies will be an important part of these programs. Principal contractors/grantees: World Vision, Save the Children, Mission Armenia, TBD.

The Public Works program will be fully underway and the skills training component will be applied to all participants of the program. Systems reforms of the Employment Services Agencies, including managerial and operational reform, will begin. Curricula for new skills will be designed and introduced at regional pilot training centers. Principal contractors: TBD.

Performance and Results: Significant progress was achieved in establishing the legal and regulatory framework necessary for social insurance and assistance programs to operate efficiently. Information management systems and applications are in place. The systems are critical for improved targeting of the poverty family benefit program, the national rollout of the social security card, and the implementation of the Personified Reporting system in the capital city, which ensures that employers contribute to social insurance based on the names and personal (social security) numbers of employees. Personified reporting will reduce fraud and ensure that pension payments are based on actual contributions to the social insurance fund.

The Soup Kitchens activity expanded programming to address a broad range of concerns of the elderly including basic health, social, and legal services. As a result of the broadened scope, the program served more than twice the number of beneficiaries it did in 2003. The Children in Especially Difficult Circumstances program introduced roving street workers, began its social and advocacy work with incorrectly institutionalized children in Armenia's two largest state-run institutions, and began its program to mainstream children with disabilities into trained and equipped public schools. The Community Self-Help fund was so enthusiastically embraced by local governments, particularly those in rural areas, that the fund received more than 250 applications. The NGO Center program introduced a new series of grants specifically designed to assist qualified health and social sector NGOs to apply their programs to their targeted beneficiaries, thus allowing years of training in management, strategy development, monitoring and evaluation to finally be applied in the social protection sectors. Finally, 2,200 individuals with mental disabilities were provided with a safe hospital through the Public Works Program's largest single project.

At the completion of this SO, most of the core design work for sustainable social insurance programs will be complete, which will allow Armenia to continue to develop and refine the legal and regulatory framework for sustainable social delivery systems. In addition, workers with outdated or limited work skills will receive training and the opportunity to apply their newly attained knowledge, skills and abilities through a labor development program, and marginalized members of society, such as the elderly, abandoned children, the disabled and the extremely poor will have access to appropriate social safety net services.

US Financing in Thousands of Dollars

Armenia

111-0340 Social Protection	FSA
Through September 30, 2003	
Obligations	56,306
Expenditures	45,028
Unliquidated	11,278
Fiscal Year 2004	
Obligations	9,180
Expenditures	10,773
Through September 30, 2004	
Obligations	65,486
Expenditures	55,801
Unliquidated	9,685
Prior Year Unobligated Funds	
Obligations	3,801
Planned Fiscal Year 2005 NOA	
Obligations	7,400
Total Planned Fiscal Year 2005	
Obligations	11,201
Proposed Fiscal Year 2006 NOA	
Obligations	5,500
Future Obligations	0
Est. Total Cost	82,187

Data Sheet

USAID Mission:	Armenia
Program Title:	Cross-Cutting Programs
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	111-0420
Status:	Continuing
Planned FY 2005 Obligation:	\$6,985,000 FSA
Prior Year Unobligated:	\$1,508,000 FSA
Proposed FY 2006 Obligation:	\$4,560,000 FSA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's cross-cutting objective encompasses efforts that are limited in time/scope, that address targets of opportunities outside of USAID's strategic framework, and those of broad impact without a predominant contribution to a single strategic objective (SO). This objective promotes human and institutional capacity development, private sector development, good governance and strengthened civil society, media and communications capacity, and the global development alliance (GDA) initiative.

Inputs, Outputs, Activities:

FY 2005 Program: Participant Training Program (\$1,600,000 FSA, \$789,000 FSA carryover). USAID will provide technical assistance and training to achieve USAID's strategic objectives and to enhance participants' professional leadership role. USAID will introduce the Human and Institutional Capacity Development concept throughout its programs. USAID will conduct a Community Connections program, with the broad public diplomacy goal of contributing to economic and democratic reform and to promoting mutual understanding in Armenia through exposure to U.S. society and personal connections with Americans. Through local community host organizations in the U.S., 30 men and women entrepreneurs, local government officials, legal professionals, non-governmental organizational leaders, and other professionals from Armenia will be provided with a three to five week training program in the U.S. tailored to their professional or business interests. Principal contractor/grantee: Academy for Educational Development (Prime), and to be determined (TBD).

Eurasia Foundation Grant and Loan Program (\$2,000,000 FSA). USAID will continue to assist private businesses by promoting effective mechanisms for alternative dispute resolution. Funding will be provided for creation and strengthening of a countrywide network of community resource centers. The program will support public administration and policy reform, enhance inter-municipal networking and cooperation, and promote effective use of resources. Strengthening local media capacity will lead to better access to information in remote areas of Armenia. Principal grantee: Eurasia Foundation.

Global Development Alliance (\$2,200,000 FSA, \$460,000 FSA carryover). To promote the GDA initiative USAID will support public-private alliances to carry out activities under the USAID strategy. Principal partners: TBD.

Logistical and Administrative Support (\$1,185,000 FSA, \$259,000 FSA carryover). Logistical and administrative support for the Mission's portfolio will be funded under this cross-cutting objective. Principal contractor: N/A.

FY 2006 Program: Participant Training Program (\$1,750,000 FSA). USAID will continue to support this program, and within it, the Community Connections program with emphasis on human and institutional strengthening in support of strategic objectives. A total of 30 men and women are expected to receive training. Principal contractor: TBD

Eurasia Foundation Grant and Loan Program (\$1,250,000 FSA). USAID plans to continue assistance to Eurasia Foundation to support development of private sector and democracy and governance in Armenia. Principal grantee: Eurasia Foundation.

Global Development Alliance (\$500,000 FSA). USAID plans to continue its support to public-private alliances under its strategy. Principal partners: TBD.

Logistical and administrative support (\$1,060,000 FSA). USAID plans to utilize resources to support the Mission's logistical and administrative expenses. Principal contractor: N/A.

Performance and Results: These efforts are cross-cutting and have contributed directly or indirectly to activities across the portfolio. The results are reported under the appropriate Strategic Objective.

US Financing in Thousands of Dollars

Armenia

111-0420 Cross-Cutting Programs	ESF	FSA
Through September 30, 2003		
Obligations	1,259	72,917
Expenditures	1,259	66,789
Unliquidated	0	6,128
Fiscal Year 2004		
Obligations	0	5,472
Expenditures	0	5,003
Through September 30, 2004		
Obligations	1,259	78,389
Expenditures	1,259	71,792
Unliquidated	0	6,597
Prior Year Unobligated Funds		
Obligations	0	1,508
Planned Fiscal Year 2005 NOA		
Obligations	0	6,985
Total Planned Fiscal Year 2005		

Obligations	0	8,493
Proposed Fiscal Year 2006 NOA		
Obligations	0	4,560
Future Obligations	0	0
Est. Total Cost	1,259	91,442